

May 7, 1973

PRESIDENT: Question is, shall LB 531 be advanced from General File to E & R Initial? All those in favor vote aye, all those opposed vote no. You are voting on the advancement of LB 531 from General File. Thank you, the Clerk will record.

CLERK: 26 ayes, no nays, remainder not voting.

PRESIDENT: The bill is advanced. Now it's the chair's understanding that you want to shoot to 528? Senator Burbach. All right.

CLERK: Reads title of LB 528. There are committee amendments, Mr. President, by Senator Burbach's Revenue Committee.

PRESIDENT: Chair recognizes Senator Burbach.

SENATOR BURBACH: As the bill was, after the bill was introduced certain changes were offered by the Revenue Department after a certain amount of opposition by the individuals at the hearing and prior. These amendments were suggested. The main issue here the Tax Commissioner may provide by rule and regulation that some or all of the documents required to support the claim for tax credit under Section 66-45 need not be filed with the claim but shall remain a part of the business records. At the present time, when a refund for gasoline is requested then many forms were sent to the Tax Commissioner's office. This is making a request that that oil man accept the responsibility to keep those records and make them available to the Revenue Department inspection department. Also, in the case of--that's all of the amendments. That's all the amendments, I move for the adoption of the amendments.

PRESIDENT: Any further discussion of the amendments? Question is, shall the committee amendments as explained by Senator Burbach be adopted? All those in favor say aye, those opposed say no. So ordered, the amendments are adopted. Senator Burbach, back to you.

SENATOR BURBACH: Well, now the bill besides that amendment allows for a different method for the, the Tax Commissioner may accept other types of security in lieu of surety bonds. Today the tax that is owing by a distributor, a jobber, an oil jobber, must be covered by a bond. That bond is in twice the amount of the tax owing. Because of the computer being somewhat slower and this is a difficult statement to make or to interpret, that it takes longer now with the computer to know of an individual's return on his tax owing on fuel products, longer now than it did when it was mechanically done or without the use of a computer. So there was different methods rather than to have bonds, an individual may still leave the twice the amount there, but he may at his option put into escrow or into a bank and then the security of the dollars, let's assume it's a thousand dollars, is the requirement of a bond. Many times it would be \$50,000 or \$100,000. But if this individual has his own money and wants to put that money on interest and the Tax Commissioner has the authority and has the ownership except that that individual receives that interest which is much higher today than it was in the past, then this can be the collateral or the impoundment of funds for the collection of the tax. It's a little bit complicated and yet it is the individual's own bonds rather than go purchasing a bond, he can put his money in some lending institution and receive the interest and yet the State is assured there will be no short-coming of the payments due to them from the tax and then he can also save the price of the bond, the cost of the bond, which is rather costly. This, these are the major changes, the amount of tax, penalty and interest due shall be a lien on all property authorizing the Tax Commissioner to suspend licenses when security is cancelled and right of the permit holder to petition for reconsideration, allow the Tax Commissioner to make the efficiency